Village Industries Commission has taken decision to involve companies also in the certain areas of the Khadi Village Industry;

(b) if so, whether it is a fact that no impediment will be posed in achieving the main goal of the Commission to expand the cottage industries in the rural regions by this decision of the Commission;

(c) if not, what tasks relating to Village Industries falling under activities of the Commission have been entrusted to these companies; and

(d) what is the number of new cottage industries in the country for which assistance has been provided by the Commission during the year, 1992-93 alongwith the names of the places for the same and what is the number of those families who are likely to get employment on account of this assistance?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM): (a) Yes, Sir.

(b) K. V. I. C. that marketing of K. V. I. C. products will improve if private companies are also associated. They passed a resolution on 26-11-90 and approved a scheme in principle.

(c) The KVIC decision for establishing linkages with major industrial Houses is for undertaking marketing of KVI products. KVIC has taken this decision in view of major expansion of production activities envisaged during the 8th Five Year Plan. The KVI products have to compete with products from other sectors, including highly mechanised sector for marketing their products. Increased production base under KVI sector would require enlarged market outlets for ensuring profitable returns to units of the Sector. However, no industrial house has been associated with any of the activities of K. V. I. C.

(d) Earlier there were 26 Village Industries under the purview of KVIC. At present there are 96 Village Industries and some more Village Industries may be also added in future. The programme of Khadi and Village Industries activities is implemented in almost all States and has so far reached 2.1 lakh villages in the country. The total employment created by these activities during 1992-93 is estimated at 51.58 lakhs (Khadi 14.28 lakhs and V. I. 37.30 lakhs).

Small Scale Reservation Policy

4298. SHRI KAMAL MORARKA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government have relaxed the small scale reservation policy to encourage technological upgradation in readymade garments industry to increase exports; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM): (a) Yes, Sir.

(b) Government have issued a Notification on 17-6-1993 exempting industrial undertakings engaged in the manufacture of readymade garments including knitted garments from the provisions of sub-sections 2A to 2G of Section 29-B of the Industries (Development and Regulation) Act, 1951 subject to the following conditions:—

(i) that the investment in fixed assets in plant and machinery in the Industrial Undertaking, whether held on ownership terms or on lease or by hire purchase, shall not exceed Rs. 3 crores;

(ii) that such industrial undertaking shall undertake to export a minimum of 50 percent of the new or additional annual production to be achieved within a maximum period of three years; and

(iii) not less than 50% of the export obligation undertaken in (ii) above shall be achieved by way of non-quota exports.

MOU by PSUs

4299. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether certain public sector enterprises have failed to sign memoranda of understanding in violation of the accepted Government policy to avoid accountability;

(b) if so, what are the details thereof stating the reasons for not signing the MOU by these PSUs; and

(c) what is the reaction of Government with regard thereto?

THE MINISTER OF STATE IN THE